

February 27, 2023

Members of the Environment Committee

Dear Chairmans Lopes and Gresko and members of the Committee:

Win Waste Innovations is a private waste services company headquartered in Portsmouth, New Hampshire with collections, hauling, transfer and disposal facilities throughout twelve states. We are one of the largest waste services companies in Connecticut. We own and operate a waste-to-energy (WTE) facility in Bridgeport and operate a WTE facility in Lisbon. We also operate an ash monofil in Putnam and own and operate a recycling and collections facility and a transfer station in Stamford, a collections facility and transfer station in Norwalk and a transfer station in Milford in addition to operating six municipal transfer stations in the State.

While there are elements of HB 6664 that we support, we are opposed to the bill primarily because it would, among other things, implement an Extended Producer Responsibility scheme, as well as double the solid waste assessment on WTE facilities to \$3 per ton and impose a new \$5 per ton solid waste assessment on waste disposed of out-of-state.

Extended Producer Responsibility for Packaging

We support the development of safe, economically sustainable, and environmentally responsible recycling programs. However, a statewide extended producer responsibility ("EPR") program for all packaging materials and paper products has the potential to harm existing recycling programs and discourage the development of new ones. Connecticut has one of the highest recycling rates in the country due in large part to the significant investments in recycling facilities made by private companies. Abandoning the state's existing recycling infrastructure will strongly disincentivize future private investments and undercut the state's goal of improving recycling rates, increasing recycling capacity, and improving access to recycling services for its residents.

The bill fails to recognize the existing collection and recycling systems in the State. The need for an EPR program should be determined only after a comprehensive state-wide assessment of the existing system and should include improvements to the existing infrastructure rather than the creation of new duplicative facilities and programs which may not be as effective a solution.

Moreover, since producers will pass on the costs to collect, process, and market the recyclables in the form of higher prices, the consumers will bear these costs. EPR is just another tax on Connecticut's citizens.

Post-Consumer Recycled Content Standards

Instead of establishing EPR, we would support a simpler and more effective solution of setting post-consumer content standards for materials including plastic, glass, and paper packaging and containers. Such standards will create more robust markets for materials recovered through existing recycling programs, thereby supporting their use for manufacturing into new products and packages.

For many years, legislative bodies at the state, county and local levels have adopted bans on the sale of certain materials and set recycling and reuse goals, but extraordinarily little has been done to create markets for recyclable material. As a result, the costs of recycled materials remain high, and producers have little incentive to purchase and use recycled materials in their products when virgin material costs less. Strengthening end markets for recycled materials will encourage, rather than disrupt, the recycling industry's ongoing plans to invest in new processing and collection infrastructure and innovation throughout the state.

Organics Diversion

While we support the goals of the bill to improve the separation, collection, and management of food scraps within the State, we think the approach of the bill is wrong. We believe that instead of mandating separation of organics, there should be incentives adopted for the waste and recycling industry to collaborate with their customers to accelerate organics diversion. The industry has the expertise to develop solutions for municipalities and businesses that reflect their individual needs and therefore should result in higher diversion rates than a mandate without the means to comply with it.

Ways that the waste and recycling industry can help accelerate organics diversion include:

- Co-locating new organics processing facilities at existing waste and recycling facilities such as anaerobic digesters at WTE facilities.
- Working with the industry's existing customers to understand their organics generation and how best to separate and process it.
- Providing infrastructure for hauling of organics.
- Identifying and developing innovative technologies to separate and process organics.

Rather than mandating organics diversion a better approach is to provide incentives and support not only to municipalities through the Department of Energy and Environmental Protection ("DEEP") Sustainable Materials Management grants but also to commercial generators and the waste and recycling industry to develop tailored solutions. The incentives and support could include:

- Grants to commercial generators to acquire on-site digesters or separation equipment and to developers and waste companies to support the siting and construction of processing facilities.
- Tax credits for new processing facilities.
- Subsidies to municipalities and commercial generators to pay for organics diversion at new processing facilities or to offset hauling costs of travelling long distances to processing facilities.
- Private/public partnerships to develop processing facilities with long-term contracts for organics and electricity or natural gas produced by anaerobic digesters.

RFP for Infrastructure

As noted above in our comments on Organics Diversion we do support public/private partnerships as one means to foster development of new privately owned organics processing facilities including long term municipal contracts to supply organics material to the facilities. However, we do not support DEEP managing the process. DEEP's involvement in requests for proposals ("RFPs") for solid waste management services is unnecessary as Connecticut municipalities and existing municipal authorities have demonstrated their ability to manage similar processes on their own. It is also not evident that DEEP has the expertise to determine the best proposal to select from the ones submitted in response to a RFP. Finally, DEEP's management of these RFPs and entering into agreements directly with the winning providers is a significant conflict of interest with DEEP's primary role as a regulator of these facilities.

Solid Waste Assessment

We strongly oppose the \$1.50 per ton increase in the solid waste assessment fee on solid waste processed at the State's WTE facilities and the new \$5 per ton solid waste assessment on waste delivered to a transfer station that is disposed of out-of-state. These are simply increased taxes on Connecticut taxpayers in another form since the facilities will pass these fees back to their municipal and commercial customers who in turn will pass these increased costs to Connecticut residents and businesses. If the State wishes to increase taxes on Connecticut taxpayers to pay for recycling programs, it should do so directly not through this indirect method.

To the extent the facilities cannot pass these costs to their customers these new costs will create an unfair burden on these facilities of paying for the State's recycling programs. It is the wrong approach to impose additional costs on these facilities to support statewide recycling when the State needs them to remain financially viable to manage the State's waste. ¹

¹ The State's WTE facilities, which provide the only municipal solid waste end disposal capacity in the State, need additional State support not additional State imposed costs. As stated in the Proposed Report prepared by the Public Utilities Regulatory Agency in PURA Proceeding to Examine Waste-to-Energy Management in Connecticut

We appreciate the opportunity to provide comments on HB 6664. We ask that you vote against this bill and direct DEEP to work more closely with the State's waste and recycling industry to develop workable solutions to manage the State's waste.

Very truly yours,

Michael O'Friel

Senior Vice President and General Counsel

pursuant to Special Act No.22-1 (Docket No. 22-10-07): The existing waste-to-energy facilities in Connecticut "are aging and have a substantial need for capital investment which may not consistently be met through operating profits in whole or in part". "In order to adequately invest in property, plant and equipment, some form of subsidy or financing for existing facilities may be required." (Page 11)